

## Message Text

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PAGE 01 CARACA 03253 242300Z

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15 FEA-01

/066 W

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R 241854Z MAR 75

FM AMEMBASSY CARACAS

TO SECSTATE WASHDC 0000

INFO AMEMBASSY LIMA

AMEMBASSY BOGOTA

AMEMBASSY LA PAZ

AMEMBASSY QUITO

AMEMBASSY SANTIAGO

UNCLAS CARACAS 3253

E.O. 11652: N/A

TAGS: ECIN ETRD VE

SUBJECT: VENEZUELA'S ANDEAN PACT NEGOTIATOR COMMENTS  
ON SECTORAL DISCUSSION IMPASSE

REF: BOGOTA 2587

1. THE PRESIDENT OF VENEZUELA'S INSTITUTE OF FOREIGN COMMERCE, DR. REINALDO FIGUEREDO WHO IS ALSO VENEZUELA'S CHIEF NEGOTIATOR, STATED IN A RECENT INTERVIEW THAT DISCUSSIONS CONCERNING THE AUTOMOTIVE AND PETROCHEMICAL SECTORS WPLL BE SUSPENDED UNTIL 26 APRIL, 1975, TO ALLOW DELEGATIONS TO RECEIVE INSTRUCTIONS FROM THEIR RESPECTIVE GOVERNMENTS. THE STICKING POINTS IN THE AUTOMOTIVE NEGOTIATIONS, HE SAID, ARE THE BASIC ONES OF PRODUCTION ASSIGNMENT AND RESULTANT EFFICIENCIES OF SCALE, AND LEVELS OF PROTECTIVE TARIFFS. DR. FIGUEREDO ADMITED THAT VENEZUELA IS IN FAVOR OF MORE FLEXIBILITY IN THE ALLOCATION OF HEAVY TRANSPORT VEHICLE PRODUCTION. HE EXPRESSED THE JUDGMENT THAT THE AUTOMOTIVE AND PETROCHEMICAL SECTORAL PROGRAMS HAVE TO BE APPROVED BY THE COMMISSION BEFORE JULY 1975.

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PAGE 02 CARACA 03253 242300Z

2. DR. FIGURED0 ASSERTED THAT VENEZUELA IS IN COMPLIANCE WITH THE TERMS OF THE PACT BECAUSE THE NATIONAL INDUSTRIAL PLANS ARE PREDICATED UPON THE PACT'S SECTORAL AGREEMENTS. HOWEVER, VENEZUELA IS NOT RELIANT UPON THE PACT'S FORMULA FOR A THRIVING AUTOMOTIVE INDUSTRY SINCE IT ALREADY MANUFACTURES FOR, AND IS SUSTAINED BY, DOMESTIC CONSUMPTION. DR. FIGUEREDO WENT ON TO SAY THAT VENEZELA IS CAPABLE OF INDEPENDENT DEVELOPMENT IN THE AUTOMOTIVE SECTOR AND EVEN MORE SO IN PETROCHEMICALS AND THEIR POTENTIAL IS NOT LIMITED BY THE LARGER MARKET OFFERED IN THE ANDEAN PACT COUNTRIES. DEVELOPMENT IN THESE SECTORS THUS FAR HAS NOT BEEN IMPEDED BY MEMBERSHIP IN THE PACT BECAUSE VENEZUELA, UNLIKE OTHER MEMBERS, POSSESSES ITS OWN AMPLE MARKET. DR. FIGUEREDO REPORTEDLY STATED THAT SHOULD THE NEGOTIATIONS BECOME BOGGED DOWN, IT IS THE GROUP THAT WILL BE THE LOSER, ALTHOUGH VENEZUELAN REALIZES THAT GREATER ACHIEVEMENTS CAN BE ATTAINED THROUGH THE MEDIUM OF THE PACT.

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** AUTOMOTIVE INDUSTRY, CHEMICAL INDUSTRY, REGIONAL ORGANIZATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 24 MAR 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
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**TAGS:** ECIN, ETRD, PORG, VE, ANCOM, (FIGUEREDO, REINALDO)  
**To:** STATE  
**Type:** TE  
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